

USP Group Limited

(Incorporated in Singapore)
(Co. Reg. No: 200409104W)

UNAUDITED QUARTERLY FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF 3RD QUARTER RESULTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors (the "Board") hereby announces the results of the Group for the 3 months period 1 October 2016 to 31 December 2016 ("Q3 2017"). These figures have not been audited.

1(a)(i) Group Consolidated Statement of Comprehensive Income

	Group					
	Unaudited					
	3 months ended			9 months ended		
	31/12/2016 ("Q3 2017")	31/12/2015 ("Q3 2016")	Increase/ (Decrease)	31/12/2016 ("9M 2017")	31/12/2015 ("9M 2016")	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	8,608	1,581	444.5	27,927	4,535	515.8
Cost of Sales	(4,934)	(979)	404.0	(15,967)	(2,767)	477.1
Gross Profit	3,674	602	510.3	11,960	1,768	576.4
Other income/(expenses), net	1,210	(205)	690.7	1,821	(7,090)	125.7
Selling and distribution expenses	(193)	(99)	94.9	(597)	(315)	89.5
General and administrative expenses	(3,566)	(1,395)	155.6	(10,546)	(3,079)	242.5
Finance costs	(367)	-	100.0	(1,180)	(30)	3833.3
Share of results of associate	-	(304)	(100.0)	-	(890)	100.0
Profit/(loss) before tax	758	(1,401)	N.M.	1,458	(9,636)	N.M.
Impairment of investment securities	(3,655)	-	100.0	(3,655)	-	100.0
Loss before tax after impairment of investment securities	(2,897)	(1,401)	N.M.	(2,197)	(9,636)	N.M.
Income tax	(22)	-	N.M.	(122)	(192)	(36.5)
Loss after tax	(2,919)	(1,401)	108.3	(2,319)	(9,828)	(76.4)
Other comprehensive income:						
Foreign currency translation	34	-	100.0	(158)	-	(100.0)
Total comprehensive loss for the period	(2,885)	(1,401)	105.9	(2,477)	(9,828)	(74.8)
Profit/(Loss) for the period attributable to:						
Owners of the Company:	(2,734)	(1,365)	100.3	(2,542)	(9,779)	(74.0)
Non-controlling interests:	(185)	(36)	413.9	223	(49)	555.1
	(2,919)	(1,401)	108.4	(2,319)	(9,828)	(76.4)
Total comprehensive income attributable to:						
Owners of the Company	(2,700)	(1,365)	97.8	(2,700)	(9,779)	(72.4)
Non-controlling interests	(185)	(36)	413.9	223	(49)	555.1
	(2,885)	(1,401)	105.9	(2,477)	(9,828)	(74.8)
EBITDA	(1,977)	(314)	529.6	619	(644)	N.M.

1(a)(ii) Notes to Group Consolidated Statement of Comprehensive Income

Profit/(loss) from ordinary activities is stated after charging/(crediting):

	Group			
	Unaudited			
	3 months ended		9 months ended	
	31/12/2016 ("Q3 2017")	31/12/2015 ("Q3 2016")	31/12/2016 ("9M 2017")	31/12/2015 ("9M 2016")
	S\$'000			
Depreciation	552	220	1,635	619
Interest expenses	367	6	1,180	237
Professional fees	285	203	641	533
Rental expenses	167	138	488	413
Staff costs	1,535	482	5,716	1,257
Impairment of investment securities	3,655	-	3,655	-

Breakdown of other income/ (expenses), net

	Group			
	Unaudited			
	3 months ended		6 months ended	
	31/12/2016 ("Q3 2017")	31/12/2015 ("Q3 2016")	31/12/2016 ("9M 2017")	31/12/2015 ("9M 2016")
	S\$'000			
Interest income	37	2	127	12
Exchange gain/ (loss), net	183	(251)	114	(38)
Loss on disposal of property, plant and equipment	(7)	-	(7)	-
Dividend income	-	-	15	6
Negative goodwill	-	-	-	258
Others	70	58	991	224
	283	(191)	1,240	462
Fair value adjustments on marketable securities	927	(14)	581	(7,552)
	1,210	(205)	1,821	(7,090)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	S\$'000		S\$'000	
	Unaudited 31/12/2016	Unaudited 31/03/2016	Unaudited 31/12/2016	Unaudited 31/03/2016
Non-current assets				
Property, plant and equipment	39,568	41,217	111	117
Investment properties	35,727	35,762	-	-
Investment securities	194	194	-	-
Investments in subsidiaries	-	-	1,358	1,358
Intangible assets	1,990	1,996	-	-
Deferred tax asset	9	19	-	-
	77,488	79,188	1,469	1,475
Current assets				
Development property	3,222	3,080	-	-
Inventories	9,129	8,955	-	-
Trade receivables	3,966	4,090	-	-
Other receivables and prepayments	6,313	7,836	160	1,461
Amount due from subsidiaries	-	-	38,457	36,383
Tax refundable	213	-	-	-
Investment securities	1,403	4,477	1,403	822
Cash and short-term deposits	5,230	6,322	1,715	2,868
	29,476	34,760	41,735	41,534
Current liabilities				
Trade payables	3,996	3,319	-	-
Other payables	2,995	5,926	75	260
Amount due to subsidiary	391	-	556	250
Finance lease liabilities	126	250	-	-
Tax payable	538	792	-	-
Loan and borrowings	7,997	9,999	-	1,200
	16,043	20,286	631	1,710
Net current assets	13,433	14,474	41,104	39,824
Non-current liability				
Deferred tax liabilities	1,965	1,976	-	-
Other payables	826	750	-	-
Loan and borrowings	31,852	33,214	-	-
Finance lease liabilities	322	527	-	-
Rental deposits	723	295	-	-
	35,688	36,762	-	-
Net assets	55,233	56,900	42,573	41,299
Equity				
Share capital	50,498	49,975	50,498	49,975
Other reserves	4,042	3,911	1,786	1,497
Accumulated profits	(2,172)	369	(9,711)	(10,173)
Equity attributable to owners of the Company	52,368	54,255	42,573	41,299
Non-controlling interests	2,865	2,645	-	-
	55,233	56,900	42,573	41,299

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2016		As at 31/03/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
7,997	-	8,799	1,200

Amount repayable after one year

As at 31/12/2016		As at 31/03/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
31,852	-	33,214	-

Details of any collateral

Borrowings are secured by properties, shares of the subsidiaries, corporate guarantees of the Company, personal guarantees given by a director of the Group and fixed deposits pledged to the banks.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	S\$'000			
	Unaudited			
	3 months ended		9 months ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Operating activities:				
Loss before tax	(2,897)	(1,401)	(2,197)	(9,636)
Adjustments for:				
Depreciation	552	220	1,635	619
Fair value loss on marketable securities	(927)	14	(581)	7,552
Interest income	(37)	(2)	(127)	(12)
Interest expenses	367		1,180	-
Negative goodwill	-	-	-	(258)
Loss on disposal of property, plant and equipment	7	-	7	-
Treasury shares reissued pursuant to employee share plan	100	50	288	50
Share-based compensation	69		523	-
Impairment of investment securities	3,655	-	3,655	-
Unrealised exchange (gain)/loss, net	(82)	6	(101)	(383)
Bad debt written off	8	-	8	-
Allowance for doubtful debt	12	-	12	-
Share of result of associate	-	304	-	890
Operating cash flows before working capital changes	827	(809)	4,302	(1,178)
Trade receivables	679	(301)	46	(570)
Other receivables and prepayments	(265)	4,884	1,582	3,009
Inventories	(1,618)	37	(173)	312
Trade payables	1,623	87	676	(25)
Other payables	(291)	152	(2,035)	116
Rental deposits	1	-	-	-
Cash flows generated from operations	956	4,050	4,398	1,664
Interest income	37	2	127	12
Income tax paid	(207)	-	(590)	-
Interest paid, net	(367)	-	(1,180)	-
Translation adjustment	114	-	(25)	-
Net cash flows generated from operating activities	533	4,052	2,730	1,676
Investing activities				
Purchase of property, plant and equipment	(150)	(5,633)	(485)	(5,834)
Purchase of intangibles	-	-	-	(42)
Sale of intangibles	6	-	6	(46)
Subsequent expenditure on development property	(64)	(17)	(143)	-
Sales proceed of property, plant and equipment	1	-	491	-
Cash outflow on investment in associate	-	-	-	(1,500)
Purchase of marketable securities	-	-	-	(433)
Net cash flows used in investing activities	(207)	(5,650)	(131)	(7,855)
Financing activities:				
Proceeds from loan and borrowings	-	4,056	-	4,856
Net cash outflow on acquisition of a subsidiary	-	-	-	(99)
Repayment of loans and borrowings	(258)	-	(3,363)	(2,649)
Repayment of finance lease liabilities, net	(127)	(3)	(328)	(27)
Purchase of treasury shares	-	-	-	(3,495)

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Contd)

	Group			
	S\$'000			
	Unaudited			
	3 months ended		9 months ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net cash flows used in financing activities	(385)	4,053	(3,691)	(1,414)
Net increase/(decrease) in cash and cash equivalents	(59)	2,455	(1,092)	(7,593)
Cash and cash equivalents at beginning of period	5,289	6,187	6,322	16,235
Cash and cash equivalents at end of period	5,230	8,642	5,230	8,642

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Treasury shares	Other reserves	Discount on purchase of NCI's shares	Accumulated profits/(losses)	Foreign currency translation reserve	Equity attributable to owners of the Company	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current quarter – 3Q2017									
Balance at 1 October 2016	50,429	-	1,686	2,413	562	(191)	54,899	3,050	57,949
Loss for the period	-	-	-	-	(2,734)	-	(2,734)	(185)	(2,919)
Foreign currency translation movement	-	-	-	-	-	34	34	-	34
Employee share ownership plan	69	-	100	-	-	-	169	-	169
Balance at 31 December 2016	50,498	-	1,786	2,413	(2,172)	(157)	52,368	2,865	55,233
Previous year – 3Q2016									
Balance at 1 October 2015	46,328	(266)	-	2,414	(8,648)	-	39,828	884	40,712
Total comprehensive loss for the period	-	-	-	-	(1,315)	-	(1,315)	(36)	(1,351)
Treasury shares reissued pursuant to employee share plan	-	50	-	-	(50)	-	-	-	-
Balance at 31 December 2015	46,328	(216)	-	2,414	(10,013)	-	38,513	848	39,361

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Contd)

Company	Share capital	Other reserves	Treasury shares	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current quarter – 3Q2017					
Balance at 1 October 2016	50,429	1,686	-	(11,489)	40,626
Loss for the period	-	-	-	1,778	1,778
Total comprehensive loss for the period					
Employee share ownership plan	69	100	-	-	169
Balance at 31 December 2016	50,498	1,786	-	(9,711)	42,573
Previous quarter – 3Q2016					
Balance at 1 October 2015	46,328	-	(266)	(7,978)	38,084
Total comprehensive loss for the period	-	-	-	(544)	(544)
Treasury shares reissued pursuant to employee share plan	-	-	50	(50)	-
Balance at 31 December 2015	46,328	-	(216)	(8,572)	37,540

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company has obtained its shareholders' approval on the renewal of the share purchase mandate at its Annual General Meeting held on 29 September 2016.

As at 31 December 2016, the Company has Nil (3Q 2015: 13,945,371) treasury shares.

On 5 December 2016, the Company had issued and allotted 848,777 ordinary shares in the capital of the Company to selected eligible employees pursuant to the USP Group Performance Share Plan and an outstanding of 1,670,800 ordinary share granted to selected eligible employees that have not been issued pursuant to vesting period.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31/12/2016	31/03/2016 (Adjusted*)
Total number of issued ordinary shares excluding treasury shares	82,460,337	78,775,310

* On 11 April 2016, the Company completed a share consolidation of every ten (10) ordinary shares into one (1) consolidated share.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There has been no movement in the Company's treasury shares during the period.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation used are consistent with those used in the most recently audited annual financial statements except for the adoption of the new or amended Financial Reporting Standards (FRS) and Interpretations to FRS (INT FRS) that are mandatory for financial years beginning on or after 1 April 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above. The adoption of the new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) had no material effect on the Group's accounting policies and had no significant impact on the Group's financial statements.

6. Profits/ (losses) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	31/12/2016	31/12/2015 (Adjusted*)
Profits/ (losses) per ordinary share from the group, after deducting any provision for preference dividends (in SGD cents):		
(a) Based on weighted average number of ordinary shares on issue; and	(2.82)	(2.14)
Weighted average number of ordinary shares for basic profits/ (losses) per share computation	82,337,022	65,533,953
(b) On a fully diluted basis	(2.82)	(2.14)
Weighted average number of ordinary shares adjusted for the effect for dilution	82,337,022	65,533,953

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31/12/2016	31/03/2016 (Adjusted)*	31/12/2016	31/03/2016 (Adjusted)*
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in SGD cents):	63.51	68.87	51.63	52.43
No. of ordinary shares used in computing net asset value	82,460,337	78,775,310	82,460,337	78,775,310

* On 11 April 2016, the Company completed a share consolidation of every ten (10) ordinary shares into one (1) consolidated share.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF PERFORMANCE (3Q2017 VS 3Q2016)

Revenue

The Group recognised significant revenue streams from its newly acquired subsidiaries of Koon Cheng Development Pte Ltd ("KCD") and Supratech Pte Ltd Group ("Supra") of S\$0.9 mil and S\$6.9 mil respectively during the period. This resulted in a revenue growth of more than 400% to S\$8.6 mil in this quarter (Q3 2016: S\$1.6 mil). The Group's Oil business contributed 10% to total revenue or S\$0.7 mil for the period.

Other income/ (expenses) net

During the period, other income was S\$1.2 mil, an increase of S\$1.4 mil (Q3 2016: S\$0.2 mil) compared to the same period last year. The other income of S\$0.2 mil mainly arose from the net exchange gain and loss and the fair value adjustments of investment in Huan Hsin Holdings Limited of S\$0.9 mil.

Operating Expenses

Selling and distribution expenses increased approximately S\$0.2 mil, attributed by Supra Group increased marketing and training costs spent on expanding to the regional markets pursuant to its appointment as Mercury's exclusive distributor.

General and administrative expenses increased by 155.6% to approximately S\$3.6 mil (Q3 2016: S\$1.3 mil) mainly due to the inclusion of the overheads of KCD and Supra, and the Group's oil business, which accounted for approximately S\$3.6 mil, of which S\$1.5 mil was due to staff costs, depreciation amounts to S\$0.6 mil and the remaining expenses consist of rental expenses, property taxes, repairs and maintenance, and utility expenses. The Company issued shares under the employee share ownership plan of S\$0.1 mil which was recorded as part of staff costs.

Profit After Tax

The Group recognized the impairment of value of investment in SG Support Services Pte Ltd ("SGSS") of S\$3.6 mil in November 2016. As disclosed in our previous results announcement, the major shareholder attempted to wind up SGSS, but the Group resisted the same. On 13 Feb 2017, the Court of Appeal allowed the Group's appeal against the major shareholder's winding up action. The Group is further seeking legal advice to evaluate its options with the intention of seeking recovery for its investment. In the meanwhile, the Group has taken a prudent approach and made a full provision on its remaining investment in SGSS.

As a result of the above, a loss after tax of approximately S\$2.9 mil was recorded for the quarter ending 31 December 2016 over a loss of S\$1.4 mil during the corresponding period while EBITDA amounted to negative S\$2.0 mil compared to EBITDA of negative S\$0.3 mil for the same period in the corresponding period. Excluding the exceptional write off of the investment in SG Support Services Pte Ltd ("SGSS"), the Group's profit from operations was S\$0.76 mil with an EBITDA of S\$1.7 mil.

REVIEW OF FINANCIAL POSITION (Q3 ending 31.12.16 VS FYE 31.3.16)

Non-Current Assets

Property, plant and equipment decreased to S\$39.8 mil (31.3.2016: S\$41.2 mil) due mainly to depreciation of S\$1.6 mil during the period.

Current Assets

Cash and short-term deposits

Group cash decreased to S\$5.2 mil (31.3.2016: S\$6.3 mil) mainly due to loan repayments of S\$3.4m partially offset by cashflow from operating activities during the period.

Investment securities

Current investment securities dropped significantly due to the impairment of investment in SGSS of S\$3.6 mil in November 2016.

Current Liabilities

There was a decrease of other payable to S\$3.0 mil (31 March 2016: S\$5.6mil) due to repayment of an amount due to a director of S\$0.4mil and also repayment of subsidiaries' vendors.

Overall, current assets dropped from S\$34.8 mil to \$29.5 mil, i.e. a decrease of S\$5.3 mil while current liabilities decreased from S\$20.3 mil to S\$16.0 million, i.e. a decrease of S\$4.3 mil.

Bank Borrowings

During the period, the bank borrowings decreased by S\$3.4 mil to S\$39.8 mil (31.3.2016: S\$43.2 mil) due to repayments.

Net Assets

Net assets of the Company increased to S\$55.2 mil and Net asset per share of 63.51 cents as at 31 December 2016.

Cash Flow (3Q2017 VS 3Q2016)

Group cash decreased to S\$5.2 mil as at 31 December 2016 compared to the same period last year of S\$8.6 mil largely because of repayment of loans and borrowing of \$3.4 mil during the period ending 31 December 2016.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As previously announced, the Group will continue actively to pursue opportunities to expand its business into the oil blending and distribution, marine and property development.

Oil-blending business

On October 2016, Biofuel has successfully obtained approval from PUB to continue collecting waste oil from Jurong West Reclamation Plant for the period up to April 2018. The Group expects the business to be EBITDA positive and stable.

Property Development business

The Group also enjoys a steady rental income from its industrial property under KCD. KCD holds 2 commercial buildings with a gross floor area of 92,359 square feet and 1 workers' dormitory. Almost all of the units and the dormitory are rented out. It is currently seeking other such yield generating property projects and would update the shareholders when appropriate.

With regards to small developments, the Group's Blandford Property is under construction and expect to TOP in the middle of this year. The Company is currently actively sourcing for prospective buyers and expects to sell the property no later than first half of 2017. As announced on 9 February 2017, the Group announced it will invest S\$3.2 million to jointly develop two strata bungalows at Ponggol Seventeenth Avenue, Singapore (the "Project") with Gadius Assets Pte Ltd.

Marine business

On 2 December 2016 and 3 January 2017, the Company disclosed that it has entered into an Exclusive Distribution Agreement with Mercury Marine Singapore Pte Ltd ("Mercury") where its 100% subsidiary, Supratechnic Pte Ltd will be appointed the exclusive distributor of Mercury products including Mercury outboard

motors, Mercruiser Sterndrives and Inboard Engines, Mercury Diesel Sterndrives and Inboard Engines and Quicksilver lubricants, parts and accessories ("Mercury Products").

The Company's exclusive distributorship for Mercury Products includes Singapore, Malaysia, Indonesia and Brunei. This will treble the existing territorial rights for the Company with Indonesia market for outboard motors roughly twice the size of Malaysia market.

The Marine business is expected to grow steadily with the new expansion of markets and new products, save for exchange fluctuations, especially in Malaysia Ringgit, US Dollar and the Japanese Yen, where the Marine business has the largest exposure. The Group is currently considering the various options to mitigate its exposure to foreign currency risk.

As previously mentioned, the Group will be seeking shareholders' approval to endorse the marine business in the near future.

Subsequent Event

As announced on 13 February 2017, the Group received a requisition letter from two minority shareholders requesting the Company to convene an extraordinary general meeting of the Company ("EGM") pursuant to Section 152 of the Companies Act (Cap 50. of Singapore). The Board is currently verifying the shareholding of the Requisitioning Members, as well as seeking legal advice on the validity of their request for convening of the EGM to pass the Proposed Resolutions. The Board will provide further update to the shareholders, if the shareholding of the Requisitioning Members does not tally with the Company's records or if the request for convening the EGM is not valid.

Accordingly, if the request for convening the EGM is valid, the Company will be convening an EGM pursuant to the Requisition Letter and the EGM will be held as soon as practicable but in any case not later than two (2) months after the receipt date.

The Group has also provisionally appointed RSM Chio Lim LLP as the Company's auditors. The Board will look to seek shareholder's approval for the change in auditors in the coming EGM.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial period ended 31 December 2016.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have any IPT mandate.

14. Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers (In the format set out in Appendix 7.7) under Rule 720(1).

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

15. Negative Assurance Confirmation

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of USP Group Limited which may render these interim financial results for the quarter ended 31 December 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Li Hua
Executive Chairman/CEO
14 February 2017